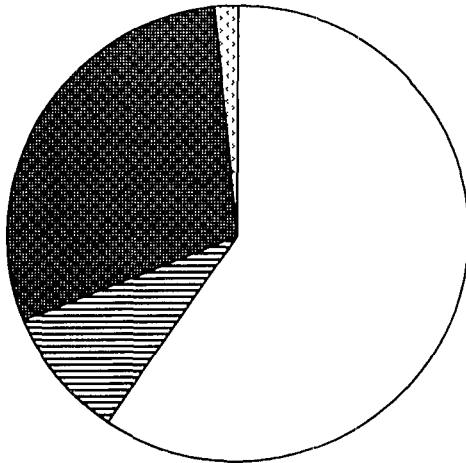


WATER UTILITY SYSTEM CAPITAL PROGRAM

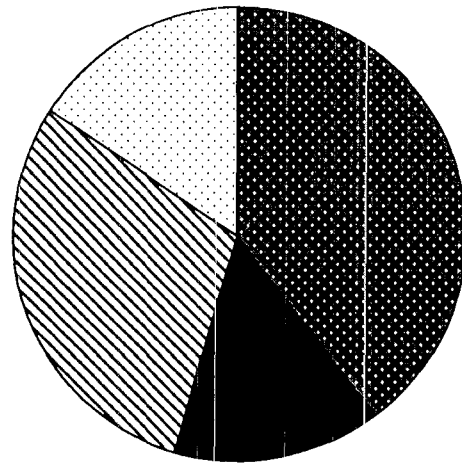
2006-2010 Capital Improvement Program

2005-2006 Adopted
Source of Funds



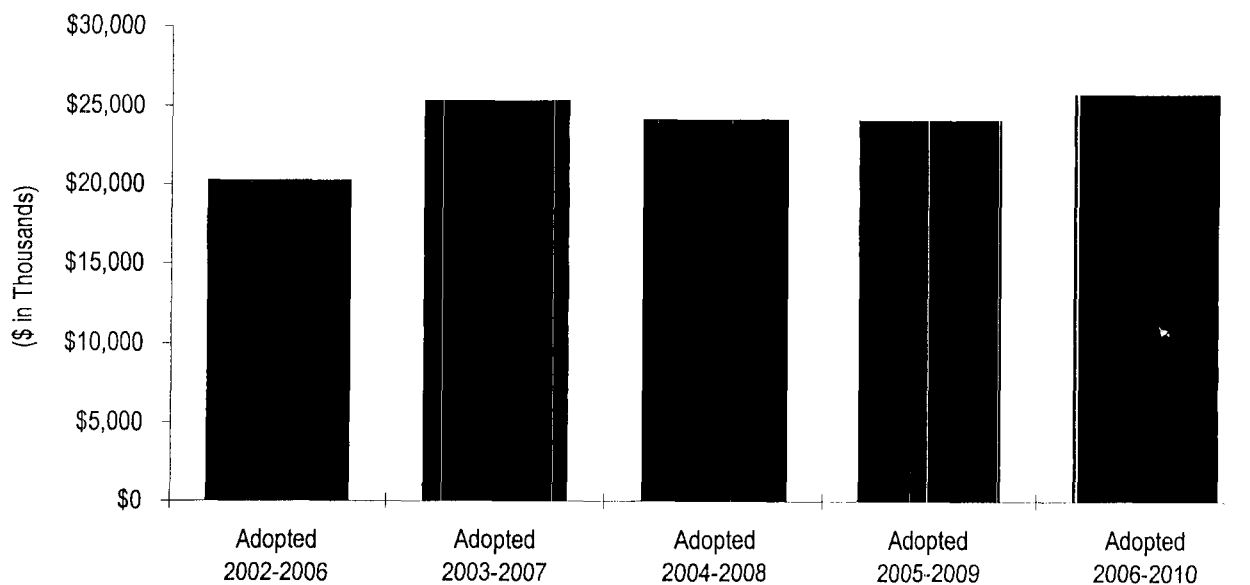
- Beginning Fund Balance
- ▨ Taxes, Fees and Charges
- ▩ Loans & Transfers
- ▤ Miscellaneous

2005-2006 Adopted
Use of Funds



- ▩ Construction
- Non-Construction
- ▨ Reserves
- Ending Fund Balance
- ▤ Miscellaneous

CIP History



2006-2010 CAPITAL IMPROVEMENT PROGRAM

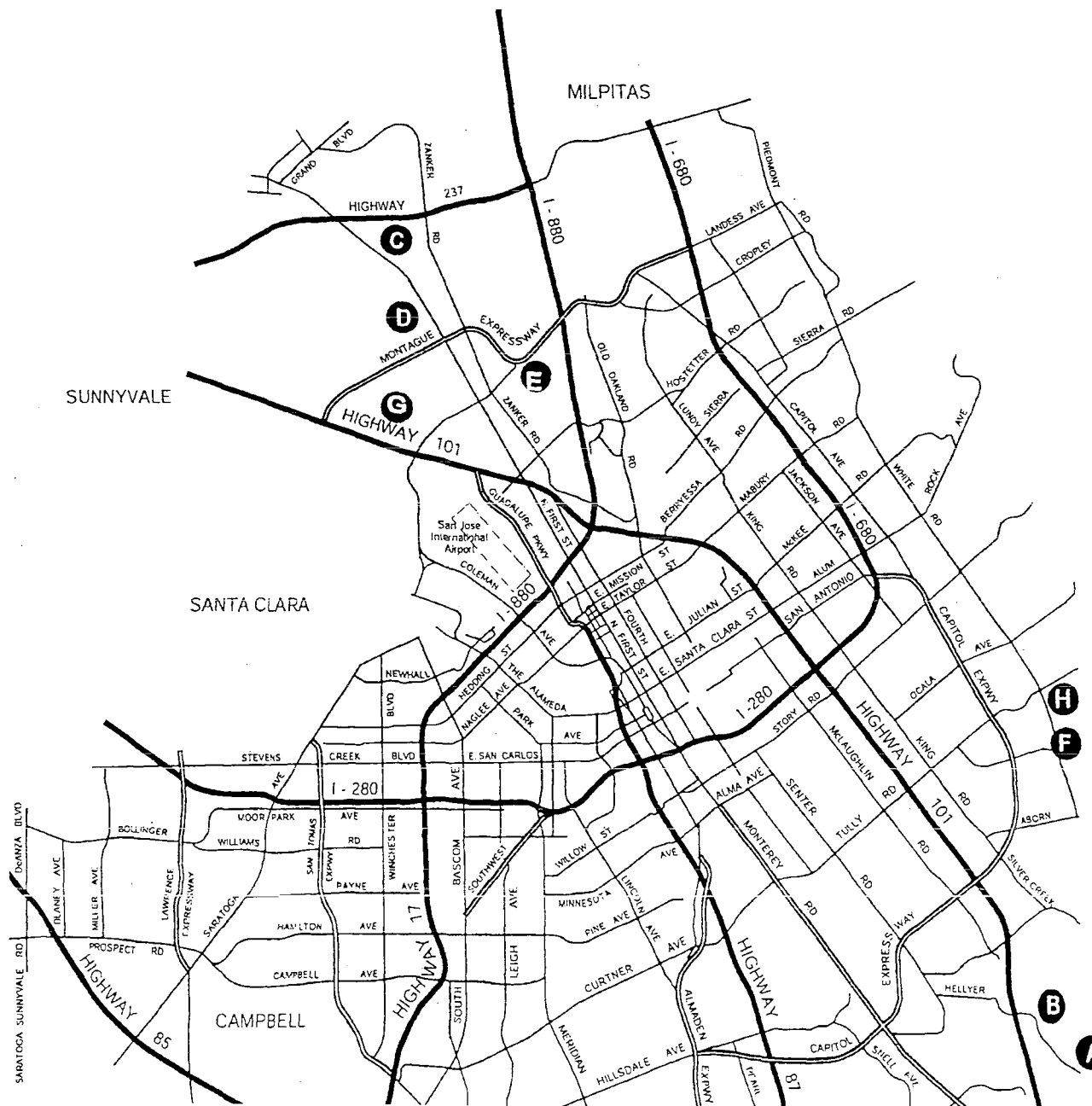
WATER UTILITY

SAN JOSE

SERVICE AREA

● 2005-2006 PROJECTS
APPROXIMATE LOCATIONS

- A Edenvale Well #4
- B Edenvale Well #13 Rehabilitation
- C Gold Street Main Relocation
- D North Coyote Valley Water System
- E North First Street Parallel Main
- F Remington Drive Main Replacement
- G Reservoir Seismic Retrofit
- H Taffy Drive Main Replacement



Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Overview

Introduction

The Water Utility System Capital Program is developed to ensure reliable utility infrastructure for the San José Municipal Water System. The San José Municipal Water System provides water utility service, in accordance with State of California Department of Health Services requirements, to areas approved for development by the City Council and within the City's water service area. The program's mission is to provide superior water service at competitive rates. The 2006-2010 Adopted Capital Improvement Program (CIP) provides funding of \$25.8 million, of which \$9.9 million is allocated in 2005-2006.

This program is part of the Environmental and Utility Services City Service Area (CSA) and supports the following outcomes: *Reliable Utility Infrastructure*, and *Safe, Reliable, Sufficient Water Supply*.

Program Priorities and Objectives

Projects are programmed, as funding allows, to provide facilities necessary for new development and to provide the fire flow pressure and volume recommended by the San José Fire Department. Projects in the 2006-2010 Adopted CIP include the construction of new facilities, maintenance of existing infrastructure, and improvements to the Water Utility System facilities. In addition, the Reserve for System Rehabilitation/Replacement Projects continues accumulating funds for future System needs. Consistent with Ordinance No. 26903, this reserve totals \$1.94 million in the 2006-2010 Adopted CIP.

The San José Municipal Water System provides water service to approximately 26,500 customers in five areas within the City of San José: Evergreen, North San José, Alviso, Edenvale, and Coyote Valley. The Evergreen Service Area generally coincides with the boundaries of Council District 8, east of Highway 101. The North San José Service Area is north of Trimble Road, between the Guadalupe River and Coyote Creek, and is located in Council District 4. The Alviso Service Area includes the area within the corporate limits of the former City of Alviso, also in District 4. The Edenvale Service Area is south of Hellyer Avenue and east of Coyote Creek, in District 8. The Coyote Service Area (District 2) encompasses the area generally south of Tulare Hill, west of Highway 101, and north of Palm Avenue. Overall, the system growth rate was two and a half percent in 2003-2004. This overall growth rate is anticipated to decrease to approximately one and a half percent in 2005-2006.

Sources of Funding

Revenue for the 2006-2010 Adopted CIP is derived from two sources: transfers to the Water Utility Capital Fund from the Water Utility Fund, which primarily derives its revenue from water sales in the Evergreen, North San José, Alviso, Edenvale, and Coyote Valley areas (\$14.1 million), and fees (\$5.1 million). Fee revenue from the Major Facilities Fund and the Water Utility Capital Fund consists of Service Connection Fees (\$1.8 million), Advanced System Design Fees (\$1.7 million), Meter Installation Fees (\$875,000), and Major Facilities Fees (\$750,000). All fee revenues are paid to the City by developers. Revenue projections for

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Overview

Sources of Funding (Cont'd.)

these sources reflect an overall increase from projections in the 2005-2009 Adopted CIP.

Over the five years of this Adopted CIP, the funds available for capital improvements are estimated to total \$25.8 million, consisting of \$21.4 million in the Water Utility Capital Fund and \$4.4 million in the Major Facilities Fund. This is a \$1.7 million increase over last year's Adopted CIP. The increase reflects the normal fluctuation in the capital investment level required to maintain the system in good to excellent condition. In addition, funding included in this Adopted CIP provides for the repayment of a loan to the Sewage Treatment Plant Connection Fee Fund for improvements made in the North Coyote Valley.

Program Highlights

Evergreen Service Area

The Evergreen Service Area contains 23,268, or 92 percent of the total customers served by the water system. These customers account for 72 percent of the total water usage in the system. The new residential development rate in Evergreen remained at approximately two percent last year and is expected to continue at approximately the same rate for the next two years.

To meet the service needs of new developments in the Evergreen Area, the program continues its policy of requiring developers to construct distribution system improvements such as pipelines, service connections, and fire hydrants. Reservoirs and pump stations, and other large facilities, are either constructed by developers or

funded from the Major Facilities Fund revenues and are constructed by the Municipal Water System, as funds are available. Construction and reconstruction of projects for existing customers are funded from water sale revenue. In addition, any new facilities will be designed to provide service to contiguous Urban Reserve areas up to an elevation of 875 feet.

Projects scheduled in 2005-2006 in the Evergreen Service Area include the Taffy Drive Main Replacement (\$250,000) project which replaces and relocates an existing main on Taffy Drive; Reservoir Seismic Retrofits (\$100,000), which continues a five-year program retrofitting existing reservoirs with flexible pipeline connections and other miscellaneous improvements to better protect the system during a seismic event; and the Evergreen Hydraulic Model (\$200,000), which funds the development of a hydraulic model for Evergreen Service Area.

North San José and Alviso Service Areas

The City is a party with 29 other suburban agencies to the Master Contract Agreement (MCA) with the City of San Francisco for water supplied by the Hetch-Hetchy system that will expire June 30, 2009. Under the Interim Water Shortage Allocation Plan developed by the parties to the MCA and approved by the City Council in April of 2001, the City is now a *non-interruptible* customer for the balance of the term of the MCA. Under this plan, in the event of a drought, the Municipal Water System would receive an average of 2.65 million gallons of Hetch-Hetchy water per day. This is a 41.8% reduction from current deliveries but is essentially the same quantity of water the System is entitled to receive at minimum

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Overview

Program Highlights (Cont'd.)

North San José and Alviso Service Areas (Cont'd.)

under the current MCA. The City has four wells in North San José that could provide backup supply in the event Hetch-Hetchy deliveries are reduced.

The North San José/Alviso area experienced considerable industrial and commercial growth in the last several years and this trend is expected to continue, although at a lower rate. In addition to this trend, a rise in residential growth is now expected.

Projects scheduled in the North San José and Alviso service areas include the next phase of the North First Street Parallel Main project, the Gold Street Main Relocation project, and North San José Well Site Improvements. A total of \$1.8 million is allocated to the North First Street Parallel Main project, which will construct a new 12" diameter water main on the east side of North First Street. Funding of \$221,000 is allocated for the Gold Street Water Main relocation project, which will relocate and upsize the existing Gold Street Main to accommodate Highway 237 bridge improvements. In addition, \$180,000 is allocated for improvements to the North San José well sites.

Edenvale Service Area

This industrial section of San José is within the expanded Edenvale Redevelopment Project area. Basic water facilities for domestic supply and fire protection for the area north of Silver Creek Valley Road include three wells and a reservoir. The Redevelopment Agency is currently working

to expand the industrial area available for development south to Silicon Valley Boulevard. This expansion is within the Municipal Water System's service area. Construction of an additional well in the Edenvale area will be completed in 2005-2006. In addition, funding for the rehabilitation of the existing Edenvale Well #13 (\$250,000) is programmed into this Adopted CIP.

Coyote Service Area

City funding for developer constructed water facilities in the primarily industrial North Coyote Valley Service Area will be provided in accordance with the Master Development Agreement. A loan from the Sewage Treatment Plant Connection Fee Fund of \$5.1 million provided the initial funding for the North Coyote Valley Water System project. The repayment of the loan is programmed as part of this Adopted CIP. Over the five years represented in this CIP, this loan repayment totals \$3.5 million. Construction of this project which included the rehabilitation of existing wells, installation of well pumps, design and construction of controls, piping, and enclosures at the existing Coyote Valley well sites, and construction of a new reservoir and related piping and appurtenances was completed in 2004-2005. Funding of \$175,000 is included in this CIP to fund the remaining close-out costs associated with this project.

Major Changes from the 2005-2009 Adopted CIP

Major changes from the 2005-2009 Adopted CIP include the following:

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Overview

Major Changes from the 2005-2009 Adopted CIP (Cont'd.)

- New funding in the amount of \$20,000 for the Castleton Drive Main Replacement.
- New funding in the amount of \$3.5 million to fund the repayment of a loan to the Sewage Treatment Plant Connection Fee Fund as described above.
- New funding in the amount of \$200,000 to fund the Evergreen Hydraulic Model as described above.

Operating Budget Impact

There are additional maintenance and operating costs associated with the Edenvale Well #4 project of approximately \$30,000 annually. It is anticipated that these additional costs will be recovered in the revenues received from system customers. All of the costs and revenue impact the Water Utility Fund and do not impact the General Fund.

Net Operating Budget Impact Summary

	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>
Edenvale Well #4	<u>\$ 29,000</u>	<u>\$ 31,000</u>	<u>\$ 32,000</u>	<u>\$ 34,000</u>
Total	\$ 29,000	\$ 31,000	\$ 32,000	\$ 34,000

Note: The estimated operating costs have been provided by the Environmental Services Department and have not yet been fully analyzed by the Budget Office. That analysis may well result in different costs when the actual budget for the year in question is formulated.

Council Approved Revisions to the Proposed Capital Improvement Program

During the June budget hearings, the City Council approved the rebudgeting of \$773,000 for six projects: Taffy Drive Main Replacement (\$230,000), North Coyote Valley Water System (\$175,000), Remington Drive

Main Replacement (\$160,000), North First Street Parallel Main (\$144,000), Gold Street Main Replacement (\$61,000) and Water Management System Enhancements (\$3,000).

2005-2006 CAPITAL BUDGET

2006-2010 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SOURCE OF FUNDS

USE OF FUNDS

2005-2006 USE OF FUNDS BY FUNDING SOURCE

The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period. The 2005-2006 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2005-2006.

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
Source of Funds

SOURCE OF FUNDS	Estimated 2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	5-Year Total
<u>Water Utility Capital Fund</u>							
Beginning Fund Balance	3,882,176	2,581,050	685,050	891,050	905,050	938,050	2,581,050 *
Taxes, Fees & Charges:							
<u>Water Utility Fees</u>							
- Advance System Design Fees	300,000	310,000	320,000	330,000	340,000	350,000	1,650,000
- Meter Installation Fees	150,000	150,000	150,000	175,000	200,000	200,000	875,000
- Service Connection Fees	330,000	340,000	350,000	360,000	370,000	380,000	1,800,000
Contributions, Loans and Transfers from:							
<u>Special Funds</u>							
- Transfer from Water Utility Fund	3,166,000	2,901,000	2,575,000	2,579,000	2,456,000	3,626,000	14,137,000
Interest Income	52,000	77,000	61,000	68,000	70,000	73,000	349,000
Reserve for Encumbrances	733,874						
Total Water Utility Capital Fund	8,614,050	6,359,050	4,141,050	4,403,050	4,341,050	5,567,050	21,392,050 *
<u>Major Facilities Fund</u>							
Beginning Fund Balance	3,916,863	3,286,774	886,774	1,083,774	931,774	799,774	3,286,774 *
Taxes, Fees & Charges:							
<u>Major Water Facilities Fees</u>	100,000	150,000	150,000	150,000	150,000	150,000	750,000
Interest Income	86,000	92,000	62,000	66,000	61,000	57,000	338,000
Reserve for Encumbrances	448,911						
Total Major Facilities Fund	4,551,774	3,528,774	1,098,774	1,299,774	1,142,774	1,006,774	4,374,774 *
TOTAL SOURCE OF FUNDS	13,165,824	9,887,824	5,239,824	5,702,824	5,483,824	6,573,824	25,766,824 *

* The 2006-2007 through 2009-2010 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program

Use of Funds

	Estimated 2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	5-Year Total
<u>USE OF FUNDS</u>							
<u>Construction Projects</u>							
Castleton Drive Main Replacement						20,000	20,000
Montague Turnout						326,000	326,000
Nortech Parkway East Loop Main				100,000	653,000		753,000
North Coyote Valley Water System	2,265,000	175,000					175,000
Norwood Pump Station Replacement			50,000	753,000			803,000
Remington Drive Main Replacement	340,000	180,000					180,000
Villa Vista Reservoir Rehabilitation			40,000	210,000			250,000
1. Edenvale Well #13 Rehabilitation		45,000	205,000				250,000
2. Edenvale Well #4	300,000	757,000					757,000
3. Gold Street Main Relocation	239,000	221,000					221,000
4. Infrastructure Improvements	452,000	400,000	400,000	420,000	440,000	460,000	2,120,000
5. Meter Installations	312,000	300,000	300,000	300,000	320,000	320,000	1,540,000
6. North First Street Parallel Main	681,000	169,000			200,000	1,452,000	1,821,000
7. North San José Well Site Improvements		180,000					180,000
8. Reservoir Seismic Retrofit	50,000	100,000	100,000				200,000
9. Security Improvements	150,000	150,000	150,000				300,000
10. Service Installations	666,000	340,000	350,000	360,000	370,000	380,000	1,800,000
11. System Maintenance/Repairs	456,000	420,000	430,000	450,000	470,000	490,000	2,260,000
12. Taffy Drive Main Replacement	20,000	250,000					250,000
13. Water Valve Rehabilitation		250,000					250,000

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program

Use of Funds

USE OF FUNDS (CONT'D.)	Estimated 2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	5-Year Total
Construction Projects							
Total Construction Projects	5,931,000	3,937,000	2,025,000	2,593,000	2,453,000	3,448,000	14,456,000
Non-Construction							
General Non-Construction							
Budget Office Capital Program Staff	16,000						
CIP Action Team	48,000						
Information Technology Staff	36,000						
14. Advance System Design	300,000	310,000	320,000	330,000	340,000	350,000	1,650,000
15. Evergreen Hydraulic Model		200,000					200,000
16. Major Facilities Fee Administration		15,000	15,000	15,000	15,000	15,000	75,000
17. Major Water Facility Fee Update		80,000					80,000
18. Master Plan Engineering	25,000	60,000	60,000	70,000	75,000	80,000	345,000
19. Network System Flow Improvements	39,000	30,000	25,000	15,000	5,000	6,000	81,000
20. Preliminary Engineering	40,000	42,000	44,000	46,000	48,000	50,000	230,000
21. Water Management System Enhancements	128,000	3,000					3,000
Total General Non-Construction	632,000	740,000	464,000	476,000	483,000	501,000	2,664,000
Contributions, Loans and Transfers to Special Funds							
22. Loan Repayment to Sewage Treatment Plant Connection Fee Fund	700,000	700,000	700,000	700,000	700,000	700,000	3,500,000
Total Contributions, Loans and Transfers to Special Funds	700,000	700,000	700,000	700,000	700,000	700,000	3,500,000

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program

Use of Funds

USE OF FUNDS (CONT'D.)	Estimated 2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	5-Year Total
<u>Non-Construction</u>							
Contributions, Loans and Transfers to Other Agencies							
Transfer to the RDA: Consultant Services for the Rincon de Los Esteros Plan	35,000						
Total Contributions, Loans and Transfers to Other Agencies	35,000						
Reserves							
23. Reserve for System Growth Related Projects		1,400,000					1,400,000
24. Reserve for System Rehabilitation/Replacement		1,539,000	76,000	97,000	110,000	118,000	1,940,000
Total Reserves		2,939,000	76,000	97,000	110,000	118,000	3,340,000
Total Non-Construction	1,367,000	4,379,000	1,240,000	1,273,000	1,293,000	1,319,000	9,504,000
Ending Fund Balance	5,867,824	1,571,824	1,974,824	1,836,824	1,737,824	1,806,824	1,806,824*
TOTAL USE OF FUNDS	13,165,824	9,887,824	5,239,824	5,702,824	5,483,824	6,573,824	25,766,824*

* The 2005-2006 through 2008-2009 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
2005-2006 Use of Funds by Funding Source

	(500)	(502)	Total
	Water Utility Capital Fund	Major Facilities Fund	
TOTAL RESOURCES	6,359,050	3,528,774	9,887,824
<u>Construction Projects</u>			
North Coyote Valley Water System	175,000		175,000
Remington Drive Main Replacement	180,000		180,000
1. Edenvale Well #13 Rehabilitation	45,000		45,000
2. Edenvale Well #4		757,000	757,000
3. Gold Street Main Relocation		221,000	221,000
4. Infrastructure Improvements	400,000		400,000
5. Meter Installations	300,000		300,000
6. North First Street Parallel Main		169,000	169,000
7. North San José Well Site Improvements	180,000		180,000
8. Reservoir Seismic Retrofit	100,000		100,000
9. Security Improvements	150,000		150,000
10. Service Installations	340,000		340,000
11. System Maintenance/Repairs	420,000		420,000
12. Taffy Drive Main Replacement	250,000		250,000
13. Water Valve Rehabilitation	250,000		250,000
Total Construction Projects	2,790,000	1,147,000	3,937,000
<u>Non-Construction</u>			
General Non-Construction			
14. Advance System Design	310,000		310,000
15. Evergreen Hydraulic Model	200,000		200,000
16. Major Facilities Fee Administration		15,000	15,000
17. Major Water Facility Fee Update		80,000	80,000

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
2005-2006 Use of Funds by Funding Source

	(500)	(502)	Total
	Water Utility Capital Fund	Major Facilities Fund	
<hr/>			
<u>Non-Construction</u>			
General Non-Construction			
18. Master Plan Engineering	60,000		60,000
19. Network System Flow Improvements	30,000		30,000
20. Preliminary Engineering	42,000		42,000
21. Water Management System Enhancements	3,000		3,000
Total General Non-Construction	645,000	95,000	740,000
Contributions, Loans and Transfers to			
22. Loan Repayment to Sewage Treatment Plant Connection Fee Fund	700,000		700,000
Total Contributions, Loans and Transfers	700,000		700,000
Reserves			
23. Reserve for System Growth Related Projects		1,400,000	1,400,000
24. Reserve for System Rehabilitation/Replacement	1,539,000		1,539,000
Total Reserves	1,539,000	1,400,000	2,939,000
Total Non-Construction	2,884,000	1,495,000	4,379,000
Ending Fund Balance	685,050	886,774	1,571,824
TOTAL USE OF FUNDS	6,359,050	3,528,774	9,887,824

2005-2006 CAPITAL BUDGET

2006-2010 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

DETAIL OF CAPITAL PROJECTS

The Detail of Capital Projects section provides information on the individual capital projects with funding in 2005-2006, including the following: project name, City Service Area (CSA) and CSA Outcome supported by the project, responsible department, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. On the Use of Funds statement, these projects are numbered.

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

1. Edenvale Well #13 Rehabilitation

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2005
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Initial Completion Date: 2nd Qtr. 2007
Department: Environmental Services **Revised Completion Date:**
Council District: 2
Location: Silver Creek Valley Road at Piercy Road
Description: This project will rehabilitate the existing well and casing and will install new pumps and motors.

Justification: This project is necessary because the volume of output from the well is degrading. These improvements will bring well production back to the optimum level.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Design				45					45		45
Bid & Award					5				5		5
Construction					200				200		200
TOTAL				45	205				250		250
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund				45	205				250		250
TOTAL				45	205				250		250
ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

None

Notes:

FY Initiated:	2005-2006	Redevelopment Area:	N/A
Initial Project Budget:	\$250,000	SNI Area:	N/A
Appn. #:	5163		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

2. Edenvale Well #4

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2001
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:** 3rd Qtr. 2002
Initial Completion Date: 2nd Qtr. 2003
Revised Completion Date: 2nd Qtr. 2006
Department: Environmental Services
Council District: 2
Location: Hellyer Avenue south of Silver Creek Valley Road
Description: This project includes the development of a fourth well site in the Edenvale area to serve new development.
Justification: This project is necessary to meet growing system demands and improve system efficiency and reliability.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Design	47	100	62	4					4		113
Bid & Award		5	5								5
Construction		949	233	753					753		986
TOTAL	47	1,054	300	757					757		1,104

FUNDING SOURCE SCHEDULE (000'S)

Major Facilities Fund	47	1,054	300	757					757		1,104
TOTAL	47	1,054	300	757					757		1,104

ANNUAL OPERATING BUDGET IMPACT (000'S)

Operating				29	31	32	34
TOTAL				29	31	32	34

Major Changes in Project Cost:

2005-2009 CIP - increase of \$351,000 to construction costs to reflect current bid prices.

Notes:

Revised end date reflects Phase II improvements including pump and motor installation, controls, telemetry, and enclosure.

FY Initiated:	2001-2002	Redevelopment Area:	N/A
Initial Project Budget:	\$750,000	SNI Area:	N/A
Appn. #:	4195		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

3. Gold Street Main Relocation

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2003
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** 4th Qtr. 2005
Council District: 4 **Revised Completion Date:**
Location: Route 237 at the Guadalupe River

Description: This project relocates a portion of the Gold Street Water Main to accommodate Santa Clara Valley Water District improvements to the Guadalupe River Channel, which address increases in storm flow related to growth.

Justification: This project is necessary to meet growing system demands and improve system efficiency and reliability.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Design	41	100	70							111
Construction		359	169	221					221	390
TOTAL	41	459	239	221					221	501

FUNDING SOURCE SCHEDULE (000'S)										
Major Facilities Fund	41	459	239	221					221	501
TOTAL	41	459	239	221					221	501

ANNUAL OPERATING BUDGET IMPACT (000'S)										
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None

Major Changes in Project Cost:

None

Notes:

FY Initiated: 2003-2004 Initial Project Budget: \$500,000 Appn. #: 4738	Redevelopment Area: N/A SNI Area: N/A
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Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
Detail of Capital Projects

4. Infrastructure Improvements

CSA: Environmental and Utility Services **Initial Start Date:** Ongoing
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** Ongoing
Council District: 2, 4, 7, 8 **Revised Completion Date:**
Location: System-wide

Description: This project will replace and/or refurbish pumps, motors, valves, electrical control mechanisms, generators, and water mains that are nearing the end of their useful lives. Selection and scope of each year's project will be based on previous year's maintenance needs.

Justification: Mechanical equipment requires replacement at the end of its service life.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Construction		452	452	400	400	420	440	460	2,120		
TOTAL		452	452	400	400	420	440	460	2,120		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		452	452	400	400	420	440	460	2,120		
TOTAL		452	452	400	400	420	440	460	2,120		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated: Ongoing **Redevelopment Area:** N/A
Initial Project Budget: **SNI Area:** N/A
Appn. #: 5366

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

5. Meter Installations

CSA:	Environmental and Utility Services	Initial Start Date:	Ongoing
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	Ongoing
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This allocation provides funds to purchase, test, and install water meters for new developments and customers.

Justification: This annual project is needed to provide service to new customers.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Construction		312	312	300	300	300	320	320	1,540	
TOTAL		312	312	300	300	300	320	320	1,540	

FUNDING SOURCE SCHEDULE (000'S)										
Water Utility Capital Fund		312	312	300	300	300	320	320	1,540	
TOTAL		312	312	300	300	300	320	320	1,540	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:	Ongoing	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	4347		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

6. North First Street Parallel Main

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2008
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** 2nd Qtr. 2010
Council District: 4 **Revised Completion Date:**
Location: North First Street from Montague Expressway to River Oaks Drive
Description: The entire project will be constructed in four segments of approximately 5,000 feet each. The current phase, Phase II, includes the construction of a 12-inch diameter water main on the east side of North First Street, parallel to the existing 18-inch techite main. Phase III will extend 5,000 feet on North First Street from Baypoint Drive to Lamplighter Way.
Justification: The existing techite water main has proven to be unreliable.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Design	10	45	45				200		200		255
Construction	798	1,020	636	169				1,452	1,621		3,055
TOTAL	808	1,065	681	169			200	1,452	1,821		3,310

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund							200	1,452	1,652		1,652
Major Facilities Fund	808	1,065	681	169					169		1,658
TOTAL	808	1,065	681	169			200	1,452	1,821		3,310

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

1999-2003 CIP - increase of \$2.7 million to reflect scope changes to include additional phases.

2006-2010 CIP - decrease of \$38,000 to reflect updated project costs.

Notes:

The Initial Start/End dates reflect Phase III of the four phase project. Funding programmed in 2005-2006 reflects completion and close-out costs for Phase II of this project expected in Fall 2005.

FY Initiated:	2003-2004	Redevelopment Area:	N/A
Initial Project Budget:	\$900,000	SNI Area:	N/A
Appn. #:	6072		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

7. North San José Well Site Improvements

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2005
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Initial Completion Date: 2nd Qtr. 2006
Department: Environmental Services **Revised Completion Date:**
Council District: 4
Location: Various well locations in the North San José and Alviso area
Description: This project funds improvements to the four well sites in North San José, such as telemetry, landscaping, paving, cover, and security improvements.
Justification: Improvements to these wells are required to maintain reliable utility infrastructure.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Design				25					25		25
Construction				155					155		155
TOTAL				180					180		180

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund				180					180		180
TOTAL				180					180		180

ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

None

Notes:

FY Initiated: 2005-2006
Initial Project Budget: \$180,000
Appn. #: 5165

Redevelopment Area: N/A
SNI Area: N/A

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

8. Reservoir Seismic Retrofit

CSA: Environmental and Utility Services **Initial Start Date:** Multi-phase
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** Multi-phase
Council District: 2, 4, 7, 8 **Revised Completion Date:**
Location: System-wide

Description: This project will retrofit existing reservoirs over the next five years with flexible pipeline connections and other miscellaneous improvements to better protect the system during seismic events.

Justification: Seismic events can cause reservoirs to move relative to system piping. Flexible couplings are needed to protect both the reservoir and system piping from damage.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Design	29	20	10	20	20				40		79
Construction	26	80	40	80	80				160		226
TOTAL	56	100	50	100	100				200		306

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund	56	100	50	100	100				200		306
TOTAL	56	100	50	100	100				200		306

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2005-2009 CIP - decrease of \$100,000 to reflect revised cost estimates and anticipated project savings.
 2006-2010 CIP - decrease of \$93,000 to reflect revised cost estimates and anticipated project savings.

Notes:

This project consists of multiple smaller projects.

FY Initiated: 2000-2001	Redevelopment Area: N/A
Initial Project Budget: \$500,000	SNI Area: N/A
Appn. #: 6731	

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

9. Security Improvements

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2004
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
 Safe, Reliable, and Sufficient Water Supply **Initial Completion Date:** 2nd Qtr. 2007
Department: Environmental Services **Revised Completion Date:**
Council District: 2, 4, 7, 8
Location: System-wide

Description: This project includes the installation of additional security equipment at various system facilities.

Justification: This project is necessary due to changes in federal requirements regarding water system security.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Design		20	20	20	20				40		60
Construction		130	130	130	130				260		390
TOTAL		150	150	150	150				300		450

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		150	150	150	150				300		450
TOTAL		150	150	150	150				300		450

ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

None

Notes:

FY Initiated:	2004-2005	Redevelopment Area:	N/A
Initial Project Budget:	\$450,000	SNI Area:	N/A
Appn. #:	4299		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

10. Service Installations

CSA: Environmental and Utility Services **Initial Start Date:** Ongoing
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** Ongoing
Council District: 2, 4, 7, 8 **Revised Completion Date:**
Location: System-wide

Description: This project provides funding for the installation of connections between water mains and meters, and the extension of existing water mains.

Justification: As development proceeds in the City, connections between water mains and meters are required to service new customers.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Construction		666	666	340	350	360	370	380	1,800		
TOTAL		666	666	340	350	360	370	380	1,800		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		666	666	340	350	360	370	380	1,800		
TOTAL		666	666	340	350	360	370	380	1,800		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated: Ongoing **Redevelopment Area:** N/A
Initial Project Budget: **SNI Area:** N/A
Appn. #: 4348

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

11. System Maintenance/Repairs

CSA: Environmental and Utility Services **Initial Start Date:** Ongoing
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** Ongoing
Council District: 2, 4, 7, 8 **Revised Completion Date:**
Location: System-wide

Description: This project funds emergency and miscellaneous repairs in the distribution system.

Justification: The distribution system requires repairs as a result of line breakage or valve malfunction. This project will provide for repairs to avoid property damage and restore service promptly.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Construction		456	456	420	430	450	470	490	2,260		
TOTAL		456	456	420	430	450	470	490	2,260		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		456	456	420	430	450	470	490	2,260		
TOTAL		456	456	420	430	450	470	490	2,260		
ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated: Ongoing **Redevelopment Area:** N/A
Initial Project Budget: **SNI Area:** N/A
Appn. #: 5876

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
Detail of Capital Projects

12. Taffy Drive Main Replacement

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2004
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** 3rd Qtr. 2005
Council District: 8 **Revised Completion Date:** 4th Qtr. 2005
Location: White Road to Peppermint Drive

Description: This project includes the replacement and relocation of an existing water main on Taffy Drive.

Justification: The existing water main has a history of excessive water leaks.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Design		250	20	12					12		32
Bid & Award				3					3		3
Construction				235					235		235
TOTAL		250	20	250					250		270

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		250	20	250					250		270
TOTAL		250	20	250					250		270

ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

None

Notes:

FY Initiated: 2004-2005 **Redevelopment Area:** N/A
Initial Project Budget: \$250,000 **SNI Area:** N/A
Appn. #: 4954

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

13. Water Valve Rehabilitation

CSA:	Environmental and Utility Services	Initial Start Date: 3rd Qtr. 2005
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:
Department:	Environmental Services	Initial Completion Date: 3rd Qtr. 2006
Council District:	2, 4, 7, 8	Revised Completion Date:
Location:	System-wide	

Description: This project will locate and exercise all water valves in the field, plot their location, and replace malfunctioning valves.

Justification: Valves must be exercised periodically to insure functionality in case of emergency.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Design				10					10	
Construction				240					240	
TOTAL				250					250	

FUNDING SOURCE SCHEDULE (000'S)										
Water Utility Capital Fund				250					250	
TOTAL				250					250	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

Major Changes in Project Cost:

None

Notes:

San José Water Company was awarded this contract.

FY Initiated:	2005-2006	Redevelopment Area:	N/A
Initial Project Budget:	\$250,000	SNI Area:	N/A
Appn. #:	5167		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

14. Advance System Design

CSA:	Environmental and Utility Services	Initial Start Date:	Ongoing
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	Ongoing
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This allocation funds the design, engineering, and inspection for new developments connecting to the Water Utility System.

Justification: This annual allocation is necessary to accommodate ongoing development and the expenditures are reimbursed by developers.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Advanced Planning		300	300	310	320	330	340	350	1,650		
TOTAL		300	300	310	320	330	340	350	1,650		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		300	300	310	320	330	340	350	1,650		
TOTAL		300	300	310	320	330	340	350	1,650		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:	Ongoing	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	4346		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

15. Evergreen Hydraulic Model

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2005
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** 2nd Qtr. 2006
Council District: 7, 8 **Revised Completion Date:**
Location: Evergreen Service Area

Description: This project funds the development of a hydraulic model for the Evergreen service area using existing software.

Justification: Hydraulic modeling of the water system is a cost-effective tool used in the design of the system.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Master Plan/Study				200					200		200
TOTAL				200					200		200
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund				200					200		200
TOTAL				200					200		200
ANNUAL OPERATING BUDGET IMPACT (000'S)											

None

Major Changes in Project Cost:

None

Notes:

FY Initiated: 2005-2006 **Redevelopment Area:** N/A
Initial Project Budget: \$200,000 **SNI Area:**
Appn. #: 5164

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

16. Major Facilities Fee Administration

CSA:	Environmental and Utility Services	Initial Start Date:	Ongoing
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	Ongoing
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This project provides funding to administer the Major Facilities Fund. The Major Facilities Fund receives fees associated with the connection and operation of municipal water activities for major water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas.

Justification: A small allocation is required to administer the Major Facilities Fund.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Program Management		15		15	15	15	15	15	75		
TOTAL		15		15	15	15	15	15	75		

FUNDING SOURCE SCHEDULE (000'S)

Major Facilities Fund	15	15	15	15	15	15	75
TOTAL	15	15	15	15	15	15	75

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:	Ongoing	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	
Appn. #:	5369		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

17. Major Water Facility Fee Update

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2004
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:** 3rd Qtr. 2005
Department: Environmental Services **Initial Completion Date:** 2nd Qtr. 2005
Council District: 2, 4, 7, 8 **Revised Completion Date:** 2nd Qtr. 2006
Location: System-wide

Description: This project provides funding to evaluate the Major Water Facility Fees currently being assessed to ensure that fees are set at an appropriate level.

Justification: This project will ensure compliance with regulations related to special fees.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Master Plan/Study		80		80					80		80
TOTAL		80		80					80		80
FUNDING SOURCE SCHEDULE (000'S)											
Major Facilities Fund		80		80					80		80
TOTAL		80		80					80		80
ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

None

Notes:

FY Initiated: 2004-2005	Redevelopment Area: N/A
Initial Project Budget: \$80,000	SNI Area: N/A
Appn. #: 4955	

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

18. Master Plan Engineering

CSA:	Environmental and Utility Services	Initial Start Date:	Ongoing
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	Ongoing
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This ongoing allocation is used to update the Water System Master Plan based on anticipated development and customer consumption data.

Justification: This project is needed to update system-wide plans.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Master Plan/Study		25	25	60	60	70	75	80	345		
TOTAL		25	25	60	60	70	75	80	345		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	25	25	60	60	70	75	80	345
TOTAL	25	25	60	60	70	75	80	345

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:	Ongoing	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	4349		

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

19. Network System Flow Improvements

CSA: Environmental and Utility Services **Initial Start Date:** Ongoing
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** Ongoing
Council District: 2, 4, 7, 8 **Revised Completion Date:**
Location: System-wide

Description: Computer analysis of the water distribution system is used to determine available flow at the fire hydrants. Modeling of the system's reservoirs, pump stations, and distribution facilities is done using the University of Kentucky's water system analysis software.

Justification: This project identifies water mains for network flow improvements on an ongoing basis. This information is used to schedule replacement of existing facilities, or construct new facilities that will upgrade pressure and volume for flow during maximum demand.

EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year
Advanced Planning		39	39	30	25	15	5	6	81	
TOTAL		39	39	30	25	15	5	6	81	

FUNDING SOURCE SCHEDULE (000'S)										
Water Utility Capital Fund		39	39	30	25	15	5	6	81	
TOTAL		39	39	30	25	15	5	6	81	

ANNUAL OPERATING BUDGET IMPACT (000'S)										
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None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated: Ongoing **Redevelopment Area:** N/A
Initial Project Budget: **SNI Area:** N/A
Appn. #: 4350

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
Detail of Capital Projects

20. Preliminary Engineering

CSA: Environmental and Utility Services **Initial Start Date:** Ongoing
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** Ongoing
Council District: 2, 4, 7, 8 **Revised Completion Date:**
Location: System-wide

Description: This project provides funds for project development in early stages of planning.

Justification: This project facilitates cost-effective planning of the Municipal Water System infrastructure.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Advanced Planning		40	40	42	44	46	48	50	230		
TOTAL		40	40	42	44	46	48	50	230		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		40	40	42	44	46	48	50	230		
TOTAL		40	40	42	44	46	48	50	230		
ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated: Ongoing **Redevelopment Area:** N/A
Initial Project Budget: **SNI Area:** N/A
Appn. #: 4952

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

21. Water Management System Enhancements

CSA: Environmental and Utility Services **Initial Start Date:** Ongoing
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** Ongoing
Council District: 2, 4, 7, 8 **Revised Completion Date:**
Location: System-wide

Description: This allocation funds various upgrades to the utilities preventative maintenance and asset tracking system, including the mapping of fire hydrants in the system's area.

Justification: System enhancements are required to maintain and ensure proper tracking of system assets and update of maps.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Program Management		131	128	3					3		
TOTAL		131	128	3					3		

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		131	128	3					3		
TOTAL		131	128	3					3		

ANNUAL OPERATING BUDGET IMPACT (000'S)											
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None

Major Changes in Project Cost:

N/A

Notes:

FY Initiated: Ongoing **Redevelopment Area:** N/A
Initial Project Budget: **SNI Area:** N/A
Appn. #: 4737

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Detail of Capital Projects

22. Loan Repayment to Sewage Treatment Plant Connection Fee Fund

CSA: Environmental and Utility Services **Initial Start Date:** 3rd Qtr. 2004
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Initial Completion Date: 3rd Qtr. 2013
 Safe, Reliable, and Sufficient Water Supply **Revised Completion Date:**
Department: Environmental Services
Council District: N/A
Location: N/A

Description: This allocation funds the repayment of a Sewage Treatment Plant Connection Fee Fund loan used for construction of water system facilities in the Coyote Valley pursuant to the Master Development Agreement.

Justification: Repayment of the loan, needed to fund improvements in the Coyote Valley, is necessary per loan agreements.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Transfer to Other Fund		700	700	700	700	700	700	700	3,500	2,450	6,650
TOTAL		700	700	700	700	700	700	700	3,500	2,450	6,650

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	700	700	700	700	700	700	700	700	3,500	2,450	6,650
TOTAL	700	700	700	700	700	700	700	700	3,500	2,450	6,650

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

Interest rate for the loan is set at the City's pooled investment rate. Payment schedule assumes annual payments of \$700,000 and a pooled interest rate of 2.7% on the unpaid balance for the life of the loan.

FY Initiated:	2004-2005	Redevelopment Area:	N/A
Initial Project Budget:	\$6,650,000	SNI Area:	N/A
Appn. #:	0100		

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
Detail of Capital Projects

23. Reserve for System Growth Related Projects

CSA:	Environmental and Utility Services	Initial Start Date:	N/A
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	N/A
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This reserve sets aside funds for acquisition of property and the construction of facilities to accommodate future system growth and development.

Justification: With new growth and development, additional land and water facilities, such as pump stations and reservoirs, will be necessary to expand the system.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Reserve		1,400		1,400					1,400		1,400
TOTAL		1,400		1,400					1,400		1,400

FUNDING SOURCE SCHEDULE (000'S)											
Major Facilities Fund		1,400		1,400					1,400		1,400
TOTAL		1,400		1,400					1,400		1,400

ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:
None

Notes:

FY Initiated:	2002-2003	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	7892		

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
Detail of Capital Projects

24. Reserve for System Rehabilitation/Replacement

CSA:	Environmental and Utility Services	Initial Start Date:	N/A
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	N/A
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This reserve sets aside funds for rehabilitation and/or replacement of existing facilities.

Justification: Existing facilities, such as pipelines, pump stations and reservoirs, will eventually need replacement or rehabilitation. This reserve allows funds to accumulate for this purpose consistent with Ordinance No. 26903.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2004-05 Appn.	2004-05 Estimate	2005-06	2006-07	2007-08	2008-09	2009-10	5-Year Total	Beyond 5-Year	Project Total
Reserve		1,383		1,539	76	97	110	118	1,940		1,940
TOTAL		1,383		1,539	76	97	110	118	1,940		1,940

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		1,383		1,539	76	97	110	118	1,940		1,940
TOTAL		1,383		1,539	76	97	110	118	1,940		1,940

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:	2003-2004	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	7011		

2005-2006 CAPITAL BUDGET

2006-2010 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SUMMARY OF PROJECTS THAT START AFTER 2005-2006

SUMMARY OF PROJECTS WITH CLOSE-OUT COSTS ONLY IN 2005-2006

The Summary of Projects that Start after 2005-2006 includes those projects that have funding budgeted starting after 2005-2006. The Summary of Projects with Close-Out Costs Only in 2005-2006 includes those projects that are near completion with only minimal costs (typically inspection services and program management) to finish the project budgeted in 2005-2006. On the Use of Funds statement, the projects in these summaries are not numbered.

Water Utility System Capital Program
2006-2010 Adopted Capital Improvement Program
Summary of Projects that Start after 2005-2006

Project Name: Castleton Drive Main Replacement
5-Year CIP Budget: \$20,000
Total Budget: \$680,000

Council District: 8
Estimated Start Date: 3rd Qtr. 2010
Estimated End Date: 2nd Qtr. 2012

Description: This project replaces and relocates an existing water main on Castleton Drive.

Project Name: Montague Turnout
5-Year CIP Budget: \$326,000
Total Budget: \$5,926,000

Council District: 4
Estimated Start Date: 3rd Qtr. 2009
Estimated End Date: 1st Qtr. 2013

Description: This project involves the construction of a new turnout and transmission main from the Santa Clara Valley Water District (SCVWD) Milpitas Pipeline. This project will add system reliability and decrease dependence on San Francisco Water Department's Hetch Hetchy system in the North San José service area.

Project Name: Nortech Parkway East Loop Main
5-Year CIP Budget: \$753,000
Total Budget: \$753,000

Council District: 4
Estimated Start Date: 3rd Qtr. 2007
Estimated End Date: 2nd Qtr. 2009

Description: This project constructs approximately 1,000 feet of water main connecting the east end of the Nortech Parkway water main with Holger Way water main.

Project Name: Norwood Pump Station
Replacement
5-Year CIP Budget: \$803,000
Total Budget: \$803,000

Council District: 8
Estimated Start Date: 3rd Qtr. 2006
Estimated End Date: 2nd Qtr. 2008

Description: This project consists of the replacement and upgrade of an existing pump station that will have reached the end of its useful life.

Project Name: Villa Vista Reservoir Rehabilitation
5-Year CIP Budget: \$250,000
Total Budget: \$250,000

Council District: 8
Estimated Start Date: 3rd Qtr. 2006
Estimated End Date: 1st Qtr. 2008

Description: This project rehabilitates a 300,000 gallon steel reservoir serving portions of the Evergreen service area.

Water Utility System Capital Program

2006-2010 Adopted Capital Improvement Program

Summary of Projects with Close-out Costs Only in 2005-2006

Project Name: North Coyote Valley Water System
5-Year CIP Budget: \$175,000
Total Budget: \$8,088,877
Council District: 2

Initial Start Date: 4th Qtr. 1999
Revised Start Date: 2nd Qtr. 2001
Initial End Date: 2nd Qtr. 2004
Revised End Date: 3rd Qtr. 2004

Description: This project provides funds for the rehabilitation of existing wells, installation of well pumps, design and construction of controls, piping, and enclosures at the existing Coyote Valley well sites, and construction of a new reservoir and related piping and appurtenances. Project was completed and in beneficial use in 2004, however remaining funding is allocated in 2005-2006 to fund outstanding project close-out costs.

Project Name: Remington Drive Main Replacement
5-Year CIP Budget: \$180,000
Total Budget: \$520,000
Council District: 8

Initial Start Date: 3rd Qtr. 2004
Revised Start Date:
Initial End Date: 3rd Qtr. 2005
Revised End Date:

Description: This project includes the replacement and relocation of approximately 1,450 feet of 8-inch steel water main. Unexpended project funding was rebudgeted to 2005-2006 to pay for potential close-out costs. Remaining project savings will be reprogrammed for other projects in the next budget process.
